

AMENDED IN ASSEMBLY MARCH 31, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

## ASSEMBLY BILL

**No. 1555**

**Introduced by Assembly Member La Malfa**

February 22, 2005

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An act to amend Section 399.12 of the Public Utilities Code, relating to public utilities.

### LEGISLATIVE COUNSEL'S DIGEST

AB 1555, as amended, La Malfa. California Renewables Portfolio Standard Program: hydroelectric generation facilities.

(1) The Public Utilities Act imposes various duties and responsibilities on the Public Utilities Commission with respect to the purchase of electricity and requires the commission to review and adopt a procurement plan and a renewable energy procurement plan for each electrical corporation pursuant to the California Renewables Portfolio Standard Program. Existing law requires each electrical corporation to increase its total procurement of eligible renewable energy resources by at least 1% per year so that 20% of its retail sales are procured from eligible renewable energy resources no later than December 31, 2017. Existing law defines “eligible renewable energy resource” to include the output of a small hydroelectric generation facility of 30 megawatts or less procured or owned by an electrical corporation as of January 1, 2003 only for purposes of establishing the baseline of an electrical corporation.

This bill would define “eligible renewable energy resource” to include the ~~output of electricity generated by~~ a hydroelectric generation facility procured or owned by ~~an electrical corporation~~ *a retail seller or local publicly owned electric utility, as defined*, as of January 1, 2003.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 399.12 of the Public Utilities Code is  
2 amended to read:

3 399.12. For purposes of this article, the following terms have  
4 the following meanings:

5 (a) “Eligible renewable energy resource” means an electric  
6 generating facility that is one of the following:

7 (1) The facility meets the definition of “in-state renewable  
8 electricity generation facility” in Section 25741 of the Public  
9 Resources Code.

10 (2) A geothermal generation facility originally commencing  
11 operation prior to September 26, 1996, shall be eligible for  
12 purposes of adjusting ~~a retail seller’s~~ *the* baseline quantity of  
13 eligible renewable energy resources *of a retail seller or local*  
14 *publicly owned electric utility*, except for ~~output~~ *electricity*  
15 certified as incremental geothermal production by the Energy  
16 Commission, provided that the incremental ~~output~~ *electricity*  
17 was not sold to an electrical corporation under contract entered  
18 into prior to September 26, 1996. For each facility seeking  
19 certification, the Energy Commission shall determine historical  
20 production trends and establish criteria for measuring  
21 incremental geothermal production that recognizes the declining  
22 ~~output of amount of electricity generated by~~ existing steamfields  
23 and the contribution of capital investments in the facility or  
24 wellfield.

25 (3) The ~~output of electricity generated by~~ a hydroelectric  
26 generation facility procured or owned by ~~an electrical~~  
27 ~~corporation~~ *a retail seller or a local publicly owned electric*  
28 *utility* as of January 1, 2003. A new hydroelectric facility is not  
29 an eligible renewable energy resource if it will require a new or  
30 increased appropriation or diversion of water under Part 2  
31 (commencing with Section 1200) of Division 2 of the Water  
32 Code.

33 (4) A facility engaged in the combustion of municipal solid  
34 waste shall not be considered an eligible renewable resource  
35 unless it is located in Stanislaus County and was operational

1 prior to September 26, 1996. ~~Output from such facilities~~  
 2 *Electricity generated by a facility meeting these requirements*  
 3 shall be eligible only for the purpose of adjusting a retail seller's  
 4 baseline quantity of eligible renewable energy resources.

5 (b) "Energy Commission" means the State Energy Resources  
 6 Conservation and Development Commission.

7 (c) "*Local publicly owned electric utility*" means a  
 8 municipality or municipal corporation operating as a "public  
 9 utility" furnishing electric service as provided in Section 10001,  
 10 a municipal utility district furnishing electric service formed  
 11 pursuant to Division 6 (commencing with Section 11501), a  
 12 public utility district furnishing electric services formed pursuant  
 13 to the Public Utility District Act set forth in Division 7  
 14 (commencing with Section 15501), an irrigation district  
 15 furnishing electric services formed pursuant to the Irrigation  
 16 District Law set forth in Division 11 (commencing with Section  
 17 20500) of the Water Code, or a joint powers authority that  
 18 includes one or more of these agencies and that owns generation  
 19 or transmission facilities, or furnishes electric services over its  
 20 own or its member's electric distribution system.

21 (d) "Retail seller" means an entity engaged in the retail sale of  
 22 electricity to end-use customers, including any of the following:

23 (1) An electrical corporation, as defined in Section 218.

24 (2) A community choice aggregator. The commission shall  
 25 institute a rulemaking to determine the manner in which a  
 26 community choice aggregator will participate in the renewables  
 27 portfolio standard subject to the same terms and conditions  
 28 applicable to an electrical corporation.

29 (3) An electric service provider, as defined in Section 218.3  
 30 subject to the following conditions:

31 (A) An electric service provider shall be considered a retail  
 32 seller under this article for sales to any customer acquiring  
 33 service after January 1, 2003.

34 (B) An electric service provider shall be considered a retail  
 35 seller under this article for sales to all its customers beginning on  
 36 the earlier of January 1, 2006, or the date on which a contract  
 37 between an electric service provider and a retail customer  
 38 expires. Nothing in this subdivision may require an electric  
 39 service provider to disclose the terms of the contract to the  
 40 commission.

(C) The commission shall institute a rulemaking to determine the manner in which electric service providers will participate in the renewables portfolio standard. The electric service provider shall be subject to the same terms and conditions applicable to an electrical corporation pursuant to this article. Nothing in this paragraph shall impair a contract entered into between an electric service provider and a retail customer prior to the suspension of direct access by the commission pursuant to Section 80110 of the Water Code.

(4) “Retail seller” does not include any of the following:

(A) A corporation or person employing cogeneration technology or producing ~~power~~ *electricity* consistent with subdivision (b) of Section 218.

(B) The Department of Water Resources acting in its capacity pursuant to Division 27 (commencing with Section 80000) of the Water Code.

(C) A local publicly owned ~~electrical utility as defined in subdivision (d) of Section 9604.~~ *electric utility*.

~~(d)~~

(e) “Renewables portfolio standard” means the specified percentage of electricity generated by eligible renewable energy resources that a retail seller is required to *generate or* procure pursuant to Sections 399.13 and 399.15, *or that a local publicly owned electric utility generates or procures pursuant to Section 387.*